



DEAR MEMBER,

Happy new year to you,

I wish to thank you for your continued support through your membership to SCEA last year.

SCEA truly appreciates your business with us, and we are so grateful for the trust you have placed in us. We sincerely hope you are satisfied with our services

I am honored to present to you the SCEA's 2021 milestones and the 2022 outlook

SCEA, through your support realized the following wins and achievements in the year 2021,

1. WEBINARS FOR OUR MEMBERS ON TRADE FACILITATION, COMPLIANCE AND AWARENESS CREATION

a) SCEA/KRA WEBINAR - MITIGATING FINES, UPLIFTS AND PENALTIES-

The webinar addressed the following;

1. Imposition of Penalties, Fines and Uplifts
2. Common Mistakes Importers and Exporters Make
3. Arbitration, Avenue for recourse and alternative dispute resolutions
4. Integrity Issues

b) WEBINAR ON IMPROVING EXPORT MANAGEMENT AT ICDN IN PARTNERSHIP WITH KIFWA, KPA & KRA.

The meeting was informed by the challenges in export processes and procedures which resulted to export shutouts and incurrence of plug-in charges as well as storage charges upon shutouts.

Discussed during the meeting also was the rail inefficiencies that had also resulted to many exporters using road transport rather than Rail transport.

The following are Key resolutions that came up;

1. KRA to address immediately the issuance of COE (certificate of Export)
2. KRA to establish direct emails from which the exporters could communicate to KRA
3. KRA are planning to centralize stuffing of exports
4. Upon Requests KRA to avail officers to witness stuffing
5. SCEA to request the Commissioner of Customs to allow more products under the green channel
6. The Centralization of stuffing would remove the double verification by the various revenue authorities (EAC)
7. Need for KPA to review the plug – in Costs
8. SCEA to write to commissioner of Customs to except AEO exporters to having to use the ECTS
9. KPA informed meeting that they are to abolish the use of dummy vessel booking for exports

c) KEBS WEBINAR ON GUIDELINES FOR IMPORT OF PRODUCT, REGISTRATION & CERTIFICATION PROCESS OF REGISTERED GOODS AT THE PORT OF ENTRY

The participants held discussions around;

1. Destination inspection
2. Registration processes of the Diamond Mark
3. The roles of the Private Freight Stations in Nairobi namely Syokimau and the Mitchell Cotts
4. Overview of Product Registration Framework
5. Eligibility for Registration Documents to be submitted by Applicants
6. Clearance of registered goods at ports of entry
7. Responsibilities of the Product Registration Holder

d) SCEA MEMBERS CONSULTATIVE MEETING

The meeting agenda was to;

1. Review of ICD Performance
2. Validation of ease of doing business reforms (Report attached)
3. Key concern areas that need intervention (Logistics and Trade Facilitation)

e) SCEA/KRA WEBINAR ON AWARENESS/SENSITIZATION ON PRE-ARRIVAL PROCESSING (PAP)

f) EASE OF DOING BUSINESS MEETING HELD IN MOMBASA

g) SCEA MEETING WITH KPA ON THE APPLICATION OF WAIVERS



2.COMPLETED PROJECTS,

a) SCEA 2022- 2025 Strategic Plan:

In last year the council launched her strategic plan whose goals are to;

1. Enhance the impact of SCEA's Advocacy
2. Drive sustained growth to ensure organizational sustainability
3. Member services
4. Develop stronger relations with government and community partners

b) Impact of Covid-19 study on transport and logistics sector in East Africa

The Council together with the Federation of East African Freight Forwarders Association (FEAFFA) in partnership with the African Economic Research Consortium (AERC) conducted a study whose aim was to establish the impact of covid-19 on transport and logistics sector in East Africa.

The recommendations and the findings of the study informed the shippers council advocacy on the ways of easing and mitigating the impact of Covid-19 pandemic. Below are some of the study recommendations;

1. Develop IT infrastructure to enhance automation
2. Prioritize testing of transport and logistics sector players against covid-19 pandemic
3. Integrating border management
4. Develop regional border integration
5. Develop a joint regional approach to Covid-19 pandemic through harmonization of testing processes and procedures
6. Intergrade regional transport nodes
7. Develop a regional stimulus response plan



c) LOGISTICS PERFORMANCE SURVEY (LPS)

The council undertakes the logistics performance survey (LPS) every year, a study that seeks to establish the key performance indicators namely; cost, time and complexity. The study establishes the performance of the central a Northern corridor, identify key factors affecting logistics performance in Eastern Africa and propose a suitable intervention to address the identified pain points

The consultants submitted the 2020 performance survey by the end of last year and the document awaits validation

d) FEES AND CHARGES STUDY

SCEA’s strategic objectives is to align with the Trade Facilitation Agreement (TF) initiative regarding fees, charges and other penalties levied by customs and other government agencies and private sector service providers in trade facilitation as well as establish how the fees and charges are administered

e) OFFICE PARTITIONING

The office partitioning has been completed; work carried out by Doha plumbers under the sponsorship of KenTrade

3. SCEA's advocacy work throughout the year led to various wins and successes; including

a) **Extension of the Free Period at the ICDN**

Kenya Ports Authority has been responsive and supportive to Shippers especially during the C19 pandemic. This is evidenced in KPA granting two extensions to the Free Storage Period. The 1 st Extension expired on March 9 th , 2021 and was extended on of April 20 th , 2021 for three months. The 2 nd extended free storage period expired on July 19 th , 2021.

On June 23 rd , 2021 we did petition KPA to extend the free period and which they did. The 3 rd Extension will thus run from July 20 th to October is thus expected to expire on July 19 th, 2021. Consequently, the Free period at the ICDN shall remain 0 – 5 days.

b) **Partnership with NCTTCA**

Northern Corridor Transit and Transport Coordinating authority (NCTTCA) will work with the SCEA CEO and the Executive Committee in a regional private sector partnership to enhance the role of SCEA and private sector in Cost, Time and Complexity index as envisioned in the Logistics Performance survey recommendations and the SCEA 2022- 2024 Strategic Plan.

c) **Delay after Customs Release**

The Release charges is imposed by KPA within 24 hours to importer who fail to get their container after container release by KRA. KPA charges USD 200 for 40ft and USD 100For 20ft per day for the time the container is release. This charge was introduced to reduce ICD AND PORT Congestions. Some of contribution factors for delays in collecting cargo are: Approval of waivers, document challenges, truck turnaround time within, skeleton staff, among other challenges owing to COVID-19 crisis.

d) **Port Congestion Surcharge**

Rescinding of the Port Congestion Surcharge following our protest note to shipping line – CMA CGM who introduced a surcharge of USD 150 and USD 300 for 20ft and 40ft on February 17th, 2021.

- e) Increase of the transit free period by shipping lines
- f) Intervention on members delayed container railage
- g) High Level Meetings at the Presidency and at the KPA to improve Cargo Railage
- h) High level meeting with Commissioner of Customs
- i) High level meeting with Managing Director, KPA and its Management
- j) Development Position Paper on ICDN Naivasha
- k) Intervention on storage waiver for members
- l) Establishment of the membership and retention Committee
- m) Streamlining of the verification charge and which resulted to the charge being imposed on only non-compliant bring charged at usd 80 for 20ft and Usd 120 for 40ft. Previously all verified containers were charged.
- n) Reduction in number of containers verified from highs of over 90% to current 20% - 25%
- o) Weekly monitoring and analysis of port performances

4. SCEA's Advocacy work for the year focuses on streamlining logistics processes and procedures through improved policy and trade environment; favorable government regulations and procedures. SCEA will mainly focus on the logistics pain points in an effort to achieve and advocate for;

1. Reduced dwell time at the port and ICDS
2. Expedited container railage from the port to the Inland Container Depot Nairobi
3. Reduced truck turnaround time
4. Cost effectiveness and fair competition for all modes of transports and reduced complexities
5. Safe, reliable and seamless movement of cargo along the northern corridor
6. Expedited export processes and procedures
7. Development of IT infrastructure and stable systems
8. Implementation of the pre-arrival processing
9. KPA Tariff Review resulting to removal of Terminal Handling and Re-marshalling Charge
10. Lobby Transit Shades at JKIA to operate even on Saturday's and Sundays.
11. Lobby Government for adequate resourcing, wagons and handling equipment at Mombasa and ICDN aimed at improving efficiency.
12. Improvement in the Management of gates and imports at the ICDN
13. Lobbying for reduction of the reefer plug in costs currently at USD 3 per hr.
14. Engaging KRA on ICMS stability devoid of frequent downtime
15. Lobby removal of export storage charges upon shutouts



5. We are looking forward to successful engagement in the listed activities in the course of the year;

1. Structured Engagements with Regulatory and Government Agencies and Departments
2. The SCEA Annual Logistics Conference
3. SCEA Webinars, Meetings and workshops
4. Annual member luncheon and networking event
5. The Annual logistics performance survey (LPS)
6. Sector Technical committees and Policy Engagements

6. As our valued member, I am pleased to invite you to support SCEA achieve her 2022 goals and objectives through;

1. Renewal of your membership by paying the membership subscription fee
2. Advertising with us through our publications and website
3. Participating in the membership recruitment drive that is geared towards achieving organizational sustainability

This New Year 2022, I wish you success, health, fortitude and prosperity. Thank you!!

GILBERT LANGAT,

CHIEF EXECUTIVE OFFICER, SCEA